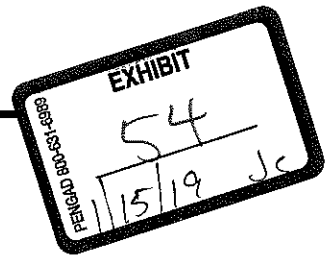


EXHIBIT 78

[Filed Under Seal]



From: Nalley, Michael
Sent: Wednesday, May 11, 2016 8:19 AM
To: Nalley, Michael
Subject: FW: Talking Points for Discussion with Mr. Lappin

1. Lower HIBs:

*Colorado – Number has been running between 2800 to 2850, which is down significantly than the contract number of 3300. We are waiting on a decision about Kit Carson

*BOP – We are over 1000 beds lower than capacity. Cibola is the only facility near capacity with a good pipeline. Adams and McRae are below the minimum guarantee.

2. Staffing:

*Minimum Guarantee at BOP: Means we cannot reduce staffing to coincide with lower HIBs and thus reduce costs.

*TDY: Inability to use TDY at BOP facilities to help meet staffing thresholds and reduce NOCs.

*Medical Staffing: Cibola and Eden continue to struggle as well as the Colorado facilities. The concern with Cibola is the long term effect on the contract. CCS has not been a good partner so far.

*NEOCC: Within the next few weeks, we should be able to resolve the triple bunking with the additional staff approved yesterday. However, the facility is still understaffed by at least 5 positions as we continue to have a high number of transports, hospital stays, medical observations, etc. (We have not been able to totally do away with filling all mandatory posts.)

3. Contract Renewal:

*CAR 16 – With the BOP drop in population at their facilities and the 4 CCA contracts, concerned on the renewal of Eden with the current contract ending 5/2017.

*Colorado – There is a great deal of uncertainty with the retirement of Bobby Allen and the status of the PPMU (Private Prison Management Unit). The DOC is restructuring this department and we are not sure what the department will look like in the future. Additionally, with the drop in population, the possibility of closing Kit Carson is very real

4. Poor Financials:

*This is due to lower HIBs than anticipated. The facilities are doing an overall good job controlling expenses. NEOCC: The USMS expects 100% staffing of posts, the facility is budgeted at an overall FTE rate of 95%. During the budget process a PT Physician and PT Dentist was not added to the budgeted staffing pattern.

5. Restricted Housing:

*The new ACA standards may require additional staffing to help address increased time out of the cell. Colorado has already issued an AR requiring recreation 7 days a week. Most of this is being covered with overtime. Will probably require a staffing increase.

6. New Personnel:

*David Zupan, AW Crowley, is very sharp and should be ready for a Warden's position after a year with CCA.

*Chris LaRose, Warden NEOCC, is off to a good start, but still learning CCA way of doing things. Has strong potential and is mobile.

*Mike Stewart, AW Cibola, has been a strong addition to the facility. I am not sure about his potential as Warden.

*Steven Niles, COS Adams, just started and Warden believes he will be a very positive influence on the operations. (Note: ACOS Dennis Kastelic wants to go back to Crowley and has put in for the Safety Manager position at that facility.

I hope this is helpful. Let me know if you need anything else.

Keith
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